

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-924

April 30, 1999

PORTLAND WATER DISTRICT
Proposed Rate Change
(Decrease Of 8%)

ORDER
Part I

WELCH, Chairman; NUGENT, and DIAMOND Commissioners

On January 21, 1999, the Portland Water District (District) filed a proposed rate decrease of \$1,515,649 or 8%. The District also proposed a revised rate design providing for the imposition of a 15% rate differential on its nonmember communities (Standish and Yarmouth). In this Part I Order we approve the Stipulation filed by the District on April 15, 1999 on behalf of itself and the Public Advocate.¹ Accordingly, we approve a revenue decrease of \$1,700,649 from test-year-adjusted revenues to be implemented May 1, 1999. In addition, we proceed to a second phase in this case to examine whether the Portland Water District's proposed rate design is just and reasonable.² Consistent with the terms of the Stipulation, we allow the District to implement, as an interim measure, its proposed rate design providing for the differential. Finally, we decline the Public Advocate's invitation to consider in this case the issue of whether the Commission should change its practice of allowing consumer-owned water utilities to recover in rates depreciation on plant and the annual principal payments on the debt used to purchase that plant. We will describe the bases for our decision and the filings required in a second phase of this case in the second part of this Order.

Accordingly, we

O R D E R

1. that the Stipulation filed in this matter on April 15, 1999 is approved;
2. that a revenue decrease of \$1,700,649 from test-year-adjusted revenues to be implemented on May 1, 1999 is approved;
3. that the District shall file revised schedules in accordance with this Order;

¹The other parties, Cape Elizabeth and Standish, did not object to the Stipulation.

² As a practical matter, we will not investigate the differential as it relates to the Town of Yarmouth because the Yarmouth Water District and the Portland Water District decide upon rates by agreement and because the Yarmouth Water District did not object to the proposed differential.

4. that we will examine whether the Portland Water District's proposed rate design is just and reasonable in a second phase of this case;
5. that the District's proposed rate design may be implemented on an interim basis; and
6. that our Part II Order will provide the bases for our decision and will outline the information the District will be expected to file in the second phase of this case.

Dated at Augusta, Maine this 30th day of April, 1999.

BY ORDER OF THE COMMISSION

Raymond Robichaud
Assistant Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.